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JOINT TRANSLATION SERVICE

SUMMARY OF THE YUGOSLAV PRESS

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WAR IN KOREA

Lake Success, June 26

At a special session of the Security Council, called in connection with the armed conflict between Northern and Southern Korea, the resolution submitted by the United States delegate was accepted. Nine members of the Council voted for the American resolution. The Yugoslav representative with-held his vote.

According to the American resolution, the government of Northern Korea is asked to withdraw its armed forces immediately to the 38th parallel. The UN Commission for Korea insists that a report of the situation be submitted as soon as possible, that the withdrawal of the Northern Korean forces be supervised and that the Security Council be informed on the execution of the accepted resolution. The States which are members of the UN are called upon to offer all possible aid for the carrying out of the resolution of the Council and not to give aid to Northern Korea.

The Yugoslav representative demanded that every article of the American resolution be voted upon and abstained from voting on all the articles of the resolution with the exception of the first article of the operational part which states: "The Security Council calls for immediate cessation of hostilities."

He then suggested that the Security Council adopt the following resolution: "The Security Council, with grave concern receives the news of the commencement of hostilities in Korea and desirous of receiving all necessary information which will enable it to pass judgement on this incident, calls for the immediate cessation of hostilities, that the forces withdraw and that the government of Northern Korea represent its point of view before the Security Council."

The Security Council refused the Yugoslav resolution. Aside from the representatives of India, Norway and Egypt, who abstained from voting and the Yugoslav representative who voted for the resolution, the rest of the representatives voted against it.

At this session of the Security Council, Trygve Lie stated, among other things, that the present situation was dangerous to international peace and that the duty of the Council was to take all necessary steps to establish peace in Korea.

The following session of the Security Council is to be on Tuesday, June 27.

Announcement Of North Korean Ministry of Internal Affairs
Fenjang (?), June 26

The Ministry of Internal Affairs of Northern Korea issued the following announcement in connection with the commencement of hostilities between the armed powers of Northern and Southern Korea. In its announcement which was carried by the New China Agency last night and by TASS this morning, it is claimed that, contrary to the reports of other agencies, that the troops of Southern Korea first began hostilities.

In the announcement which states that the fight began on June 25 at dawn, the Southern Korean troops carried out the sudden attack all along the borders between Northern and Southern Korea and were supposed to have gone into the territory of Northern

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Korea for one or two kilometers at three places. The troops of Northern Korea fought back these attacks in a bitter defensive fight.

The announcement further states that the government of Northern Korea has given the task to the Ministry of Internal Affairs to warn the Southern Korean government that North Korean will take decisive counter measures if the attacks of the Southern Korean troops do not cease.

In another announcement of the Ministry of Foreign Affairs of Northern Korea, which is reported by TASS, it is stated that the Northern Korean troops have stopped the advance of Southern Korean forces and that they have begun a counter offensive advancing to a depth of five to ten kilometers on the territory of Southern Korea. The fight continues.

(Tanjung-Borba-June 27)

USA TO SEND 10 FIGHTER PLANE TO SOUTHERN KOREA
Tokyo, June 26

United Press reports an announcement from MacArthur's headquarters that the USA will place 10 fighter planes of the type "G-01" at the disposal of Southern Korea. The permission to give these airplanes to Southern Korea came from Washington. The planes will be given to Southern Korean pilots in Japan.

MacArthur's headquarters also announce that they shall begin sending cannons, munitions and other materials to Southern Korea. The announcement adds that American War ships and airplanes will accompany the ships which will transport armaments to Southern Korea.

(Tanjung-Borba-June 27)

CONFERENCE OF TRUMAN WITH HIGH MILITARY AND DIPLOMATIC
REPRESENTATIVES
Washington, June 26

Reuter reports that President Truman last night called a conference of diplomatic and military representatives of the USA in order to discuss the armed fight which has broken out in Korea. The conference was attended by, among others, the Secretary of State Acheson, the Secretary of Defense, Johnson, the Secretary of the Navy Mathews, the Secretary of the Army Frank Pace, Joint Staff Chief, General Bradley and other high military and political people. There was no announcement given from the conference.

(Borba-June 27)

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SOUTH KOREAN GOVERNMENT DECIDES TO WITHDRAW TO SEOUL

Tokyo, June 26th.

According to reports given by foreign agencies, the war operations in Korea are continuing with unreduced fierceness. The center of operations is in the Seoul northern region, where - according to United Press reports - the command of the North Korean army has concentrated its main forces in the region of Uijongbun on the road to Seoul. The United Press reports that the North Korean troops, with tank units at the head, have broken through the defense line of the South Korean army in the region of Uijongbun and have proceeded towards the south in the direction of Seoul. The South Korean seventh division, which was defending this sector, was shattered and is withdrawing.

According to a report given by the French Press Agency, the North Korean troops have arrived at 12 kilometers north of Seoul, the main city of South Korea. United Press reports that the North Korean troops are 4 kilometers of Seoul.

United Press also reports that the South Korean Government has decided to withdraw from Seoul to Tschong, 90 miles southwest of the capital.

According to other reports the South Korean troops have stopped the penetration from the north on the entire line of the front and have passed into counter-offensive. Two South Korean corps have penetrated across the 38th parallel, which represents the frontier between South and North Korea, and have taken the city of Hadzi, north of the parallel. The South Korean airforce, is also acting, while the navy has sunk a North Korean ship and has attacked 8 other ships.

According to the statement made by the North Korean Ministry of Interior, which is transmitted by TASS agency, it is said that the North Korean forces have stopped 'after fierce defense struggle' the penetration of South Korean troops over the 38 parallel and that they have started a counter-attack. The statement continues in saying, that in the course of the day of June 25th. the North Korean troops crossed at several places the 38th parallel and penetrated within the territory south of the border line, 5 to 10 kilometers deep.

(Borba, June 27, 1950)

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SPEECH BY BORIS KIDRIC

In connection with the discussion of the decision draft on the confirmation of the FFRY Peoples Assembly Presidium Ukases passed in the time period between the first regular and the first special session of the Peoples Assembly, Comrade Boris Kidric, president of the economic council of the FFRY government had the following to say:

"Comrade Peoples Deputies,

"The re-organizational measures taken in our state direction, especially in the state direction in the region of economy, which has been made official by the Ukases of the FFRY Peoples Assembly Presidium, and which are today being submitted to the Peoples Assembly for confirmation, have a deep connection with the momentous law on the direction of state economic enterprises which we accepted today. They in fact are preparations for that law, i.e., the creation of such organizational conditions in our state direction in the region of economy whereby it will be made possible that this law immediately be put into effect.

"Permit me to refer to these reorganizational measures which have been submitted to you for confirmation specifically from that angle, while in doing this, supporting myself on the basic theoretical explanations given by Comrade Tito and Comrade Kardelj in connection with the acceptance of the law on the direction of state economic enterprises.

"In his report, Comrade Tito particularly underscored the fact that the new law on the direction of state economic enterprises and higher economic associations by working collectives means the beginning, in our country, of the historical process of the transformation of social property from its lower, state forms to the higher form of socialist property, i.e., in the management of public property by a free association of direct producers.

"At first glance it is clear that the earlier organization of state management in economy from above to the bottom, both in its organizational form as well as in its method of direction, corresponded to a clear state property as a lower form of social property. Therefore, if we retain this old organization of direction or even consolidated that system, and concomitantly set-up working councils and workers directional councils with those rights given to them by the accepted law, we would forcibly set into opposition the workers councils and the workers directional committees as a clear element of the out-moded administrative forms of a socialism that is essentially bureaucratic. With this complications would set in even in the very management of economy thus also presenting obstacles in the development of production forces.

"Therefore, it was necessary to reorganize the state direction in economy in such a way and to such a degree that the entire complex of state management in economy and the newly established working councils actually correspond to the concomitant existence of state property rights and the economic direction by the producers themselves (direct producers). The reorganization of the state direction kept in sight of the degree of socialist development which we had so far achieved as well as the development of material productive forces and social conscientiousness.

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"Considering the facts, analysis shows us - graphically speaking because of illustration - that because of the security of general plan schemes in our socialist economy and for the co-ordination of these economic operational methods in the object of securing these schemes, state management in economy is still essential. Direct operation and participation in economy can, however, already be given to immediate producers to a considerable measure. In this the state management retains only those operational, regulational, and cadre jurisdictions which are necessary so that with a given degree of material production power, social conscientiousness and general economic difficulties which emanate from the intense struggle for the Five Year Plan, general Plan schemes are not vitiated. In relation to the non-socialist sector of economy, the administrative and economic function of the state, of course, retains much the same character as hitherto since in connection with the private sector one is dealing with a private element of the pre-socialist past.

"What has been so far effected in the reorganization of the state direction in economy that enables the establishment, expansion and greater scope of management by the immediate producer?

"First, we liquidated a series of former economic ministries and in their stead created councils on the one hand and general directions on the other.

"General directions already are no longer administrative-operational managements in the old sense of the word, but in essence represent the merging of enterprises, i.e., the higher form of economic association. This higher form of economic association can, in a relatively short period, be placed under the general direction of workers councils and workers directional committees without organizational and economic difficulties, as clearly envisaged by the law accepted here today. While earlier general directions were above all a component part of ministries, i.e., state management, now the role of direct state management in their organizational set-up will be preserved only in the choosing of general directors which is done by the Presidium of the competent Peoples Assembly.

"Simultaneously with such a reorganization of general directions, a great majority of our economic enterprises passed from federal to republic directional jurisdiction, and a great part of earlier republic enterprises are now passing to local management. This decentralization in itself indicates the approaching of management to the immediate producer and that is its basic ideal. This instills broad initiative from below and a true democratic character in our planned economy - which is consistantly centralizing only general proportions.

"Councils, which are created for the general co-ordination of economic affairs in complex economic branches both within/federal government and the republic governments are no longer the economic ministries of the old type which were responsible exclusively for state property rights in the socialist sector and through which the management apparatus of economy received increasingly greater and broader jurisdictions. The councils are, of course, still organs of the state management in economy but they have at the same time remained bodies in which general directions were directly represented as higher bodies, and in the not too distant future principally will become the non-state form of economic association.

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"Already in the present reorganizational methods of the state management, therefore, even in the councils as organs of the government, one is beginning to notice the incipient element of immediate producer participation. This of course creates broad possibilities for further gradual fading away of state functions in the region of economy.

"Second, while one can say that the first period of state socialism in our country had definite tendencies toward an increasing numerical growth in the state apparatus and increasing jurisdiction of the apparatus in the direct management of economy and together with this the propensity to bureaucracy of that apparatus - this process was decisively terminated with the reorganizational measures of the state management. The state apparatus managing economy is markedly decreasing in numbers and has decreased 20 to 30 per cent in some places and above all its role has been changing. It ceases to be the giver of orders and is concerned with plan preparations and analytic functions above all. The real commanding in the state management of economy is increasingly being limited only to those functionaries who are directly named by the Presidium of the Peoples Assemblies or by the executive committees of the Peoples Committees, that is to say to collegiums of such functionaries. The apparatus in our economy, which began to look more and more like a bureaucratic authority over producers with this actually is transforming into a true servant of the working peoples.

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"Thirdly, decentralization of economic management, namely decentralization with the intention of making our planned economy more democratic and the making of economic management more accessible to immediate producers, we have created the organizational conditions for the decisive wiping out of the harmful and weak appearance of monopoly in our economy.

"There are those who think that there is a deeper causal tie existing between the appearance of monopoly and socialist planned economy, a sort of identity. In this one certainly can see the wrong conceptions and the blind practical acceptance of Soviet practice. Actually monopoly has nothing in common with socialist planned economy nor with socialist democratic centralism but is rather a clear vestige of monopolistic capitalism, a vestige which bureaucratic centralism brought to its acme. Everywhere wherever it appears it only represents a poison which imbues both quality and diversity of production and is a brake to the general progress as material production forces.

(Continued on next page)

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Fourthly, the reorganizational measures in our state administration in the field of economy essentially alter the methods of planning themselves. Whereas in the method of the first periods of our socialist planned economy it often happened that the highest planning organs had to deal with occasional and absurd details, which in essence corresponded to the fact that the state began as the sole collective owner of the basic means of production, and that now state planning is limited more and more only to general proportions and certain key factors which prevent anarchy in economy and distribute and insure the general line of the plan. Within the sphere of these general proportions, which are a sufficient guarantee for a truly socialist planned economy, our methods of planning in the future will give more place to the free activity in those objective economic laws which are still absolutely necessary when one takes into consideration the degree of development of our material productive powers. That, of course, does not mean any kind of return to the old methods or anything similar to the Russian NEP. It is simply that on the basis of socialist ownership, in its higher form, we allow real initiative in our economy, thereby insuring quality and variety in production and speed in distribution, keeping to the general line of the plan which assures a centralized socialist plan of the general field and the key factors.

Comrade deputies, the reorganization done up till now in our state administration of economy is represented, as I have said, before, by the introduction of the present law about the direction of state economic concerns and higher economic societies. This simply means that in the present form this cannot represent a completed whole, but the reorganization of state administration in economy will develop gradually further, corresponding to the general process of transforming state ownership into a higher form of socialist property. It is already clear that it will soon be necessary to reorganize our financial system as well. Yesterday Comrade Tito announced that the establishment of workers' councils was necessarily connected with a certain participation of the producers themselves in the distribution of funds. In this respect, the reorganization of our financial system must, on one hand, further confirm the state fund which is the present form of a social, in other words, socialist, fund necessary for the capital building up and extended reproduction and on the other hand it will allow the surplus fund to return to the individual funds of the immediate producers themselves. Without this the stimulation of the immediate producers and their actual direction of economy would remain more or less only on paper.

In connection with the need for the freer activating of the objective economic laws founded on socialist ownership of the basic means of production or within the framework of the general planned scheme, on the one hand, we shall be obliged substantially to limit the elements of bureaucratic socialization in the budget to the disposal of the republican self-administrative budgets and the economic estimates of concerns, and on the other hand to continue to strengthen the conditions for the centralized insurance of the planned circulation of money. In this respect quite good results have been achieved already. However, the further development

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of our socialist economy demands daring steps forward in this field as well. Thus it will be necessary to carry out a reorganization of the banking system and to change the method of direction itself on the part of the Ministry of Finance.

"Allow me finally, comrade deputies, to say a few words on the effects which the reorganization of the administration of our economy will have on the further development of the material powers of production. Just as the administrative forms of state socialism in the first periods of our economic development helped us to overcome the difficult economic consequences of the anarchistic capitalists ownership, in the past and to lay the foundations of our planned economy and thus to start out on our Five Year Plan, in the same way recently, before the reorganizational measures in the state administration of economy, they have begun to be more and more of an impediment to the further progress of our material forces of production and thereby to the building up of socialism itself. We naturally do not agree with the Soviet methods of explaining when one stage of transformation has been completed and we do not say: "Up to midnight tonight the previous forms and methods have been correct and from midnight onwards they will be incorrect". As Comrade Tito emphasized yesterday, we could have started on this reorganization earlier if we had made use of our own assistance previously and more extensively in the application of Marxism and Leninism in our conditions and if we had applied the completely mistaken and obsolete Soviet formulae less. The reorganizational measures in the state administration of our economy which we have carried out in the past few months and which we are still carrying out together with the application of the law are the more appropriate and essential. There is no doubt that they will contribute very greatly not only to the heightening of the socialist consciousness and self-confidence of our workers but also to their initiative and thence to the further advancement of our material powers of production.

"Therefore, comrade deputies, I beg you to confirm the ukase of the Presidium of the National Assembly of the FPRY concerning the reorganization of the state administration of our economy."

The National Assembly accepted the resolution concerning confirmation of the ukase.

Then Comrade Vladimir Dadijer gave a report about the work of the committee for foreign affairs, and the Assembly accepted it. Afterwards, the People's Deputy, Jozse Horvat, read the conclusions of the committee for the People's Authority, which were accepted. The reporter of the legislative committee of the Federal Council, Ivo Sunaric, read the draft resolution of the National Assembly of FPRY concerning the organization of the legislative committees to introduce resolutions concerning the harmonizing of federal laws with the changes in the state administration and in the system of the direction of economy. The National Assembly accepted this resolution.

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Then they passed on to the supplementing of the committee for foreign affairs. The proposal was submitted by the People's Deputy, Sinisa Stankovic. He proposed that the following people's deputies from the Federal Council should be included in the committee for foreign affairs: Stevan Doronjski, Marko Nikezic, Slavko Komar, Bosko Siljegovic, Kemal Sejfula and Vlado Maleski, and from the Council of Nationalities Milos Carevic, Branko Jevremovic, Vladislav Rivnikar, Gojko Nikolis, Boris Zihern and Velja Stojnic. These were all elected.

Thus the Fifth Joint Session and the First Extraordinary Session of the National Assembly of the FPRY came to an end.

Borba, June 28

THE CONCLUSION OF THE FIRST EXTRAORDINARY SESSION OF THE NATIONAL ASSEMBLY OF THE FPRY

At the session of the National Assembly Comrade Djuro Salaj said the following: "An example of good and useful work is given by the workers' council of railwaymen in Zenica who have discussed the needs of production and the needs of the workers regarding supplies, housing, etc. in their meetings. They have introduced decisions about their plans and the execution of these resolutions.

....The draft law foresees that working cooperatives carry out the administration of economy through the workers' councils and managing committees of concerns elected by the workers' councils as their executive bodies representing the immediate direction of concerns which direct the entire duties within the framework of the state economic plan, and on the basis of the law and other legal decrees. The draft law confirms: "that the managing committee of concerns is responsible for the completion of the plan and the proper working of the concern". And so the democratic principle of the people's self-administration, that the working collectives immediately direct the production of their concern is clearly formulated.

He said that these measures were being taken at a time when the Soviet Union and the countries subordinate to it were consolidating their bureaucratic state and economic apparatus and were thereby curbing democratic development. He said that because of this all the staunch fighters for socialism and all truly progressive people in the world would be glad.

He said that the syndicates would be very active in putting the law into action and that they would devote all their energies to raising the cultural level of our workers. Finally he said "I am confident that the working classes and all working people of Yugoslavia will greet this new law with enthusiasm because it represents a new historic revolutionary acquisition for our people on the road to the building up of socialism and to the creation of a better and happier life for our workers.